

## Message Text

CONFIDENTIAL

PAGE 01 MOSCOW 11977 181155Z  
ACTION EUR-12

INFO OCT-01 ISO-00 EB-08 TRSE-00 FRB-03 OMB-01 CIAE-00  
DODE-00 PM-05 H-01 INR-07 L-03 NSAE-00 NSC-05  
PA-01 PRS-01 SP-02 SS-15 USIA-06 COME-00 CU-04  
OES-07 ERDA-05 FEAE-00 XMB-02 NEA-10 ACDA-07 IO-13  
/119 W

-----081224 181534Z /45

R 181107Z AUG 77  
FM AMEMBASSY MOSCOW  
TO SECSTATE WASHDC 1101

C O N F I D E N T I A L MOSCOW 11977

DEPT PASS USDOC FOR BEWT

E.O. 11652: GDS  
TAGS: EFIN EEWT ENRG UR US  
SUBJECT: ARMAND HAMMER ON US-SOVIET RELATIONS: OCCIDENTAL PETROLEUM  
TO HANDLE DISTRIBUTION OF OLYMPIC COINS

REFS: (A) MOSCOW 10023, (B) MOSCOW 6811

SUMMARY: OCCIDENTAL PETROLEUM COMPANY PRESIDENT HAMMER  
INFORMED AMBASSADOR AUGUST 16 THAT HE HAD REACHED AGREEMENT  
TO HANDLE SALES OF SOVIET OLYMPIC GAMES GOLD, SILVER AND  
PLATINUM COILNS. STATING THAT HE HAD COME TO MOSCOW AT  
URGENT REQUEST FROM CHAIRMAN OF GOSBANK ALKHIMOV, HAMMER  
CONCEDED THAT HE HAD MET SOVIETS TERMS FOR GUARANTEE - AT  
WHICH AMEXCO HAD BALKED (REF A) - BUT DID NOT DIVULGE  
FIGURE. HE ASSERTED THAT ALL OCCIDENTAL PROJECTS IN  
USSR ARE PROCEEDING SATISFACTORILY BUT EXPRESSED CONCERN  
ABOUT OVERALL STATE OF US-SOVIET BILATERAL RELATIONS.  
AMBASSADOR REITERATED WHAT HE HAD TOLD HAMMER IN MAY  
(REF B): THAT LATTER COULD HELP US TO PERSUE SOVIET  
LEADERSHIP THAT IMPORVEMENT IN RELATIONS REQUIRES A  
SOVIET INPUT. HAMMER SAID HE HOPES TO SEE BREZHNEV ON  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 MOSCOW 11977 181155Z

NEXT TRIP TO MOSCOW, IN CONNECTION WITH CHEMISTRY 77  
EXHIBITION STARTING SEPTEMBER 1. END SUMMARY.

1. ARMAND HAMMER, UNACCOMPANIED, CALLED ON AMBASSADOR  
TO REPORT RESULTS OF BRIEF (AUG 14-18) SOJOURN IN MOSCOW.  
HE HAD HOPED TO SEE BREZHNEV ON THIS TRIP BUT HAD BEEN  
UPSTAGED BY TITO VISIT; RATHER THAN HANG AROUND AND AWAIT

AN OPPORTUNITY, HAMMER SAID, HE WOULD EXPECT TO SEE BREZHNEV ON HIS NEXT RIP TO MOSCOW IN CONNECTION WITH CHEMISTRY 77 EXHIBITION OPENING SEPTEMBER 1 AT SOKOLNIKI, WHICH BREZHNEV HAS PROMISED TO ATTEND.

2. HAMMER EXPLAINED THAT HE HAD COME UNEXPECTEDLY THIS TIME TO ANSWER AN URGENT PLEA FROM CHAIRMAN VLADIMIR ALKHIMOV OF GOSBANK, WHOM HE HAD SEEN IMMEDIATELY PRIOR TO CALL ON AMBASSADOR. HE HAD AGREED WITH THE SOVIETS THAT OCCIDENTAL WOULD HANDLE SALES OF SOVIET OLYMPIC COINS- GOLD, SILVER, AND PLATINUM- EITHER ALONE OR TOGETHER WITH LAZARD FRERES. HAMMER APPEARED TO LEAVE OPEN POSSIBILITY THAT AMERICAN EXPRESS, PARAMOUNT COINS AND FRANKLIN MINT MIGHT ALSO BE INVOLVED. HE CONCEDED THAT OCCIDENTAL HAD AGREED TO A GUARANTEED AMOUNT OF SALES - THE ISSUE ON WHICH AMEXCO'S BID HAD FOUNDERED- BUT DID NOT DIVULGE THE AMOUNT. HE PREDICTED A MINIMUM OF \$150 MILLION SALES (SOVIETS ASKED AMEXCO FOR \$60 MILLION GUARANTEE) OF THE COINS, STATING THAT THE CANADIANS IN 1976 HAD SOLD \$390 MILLION IN OLYMPIC COINS WITH \$95 MILLION PROFIT, DESPITE HAVING FLOODED THE MARKET.

3. HAMMER ASSERTED THAT ALL OCCIDENTAL PETROLEUM PROJECTS IN THE USSR ARE PROCEEDING WELL BUT DID NOT ELABORATE. HIS REFERENCE TO OCCIDENTAL'S INTEREST IN THE PROSPECTIVE YAKUTSK NATURAL GAS PROJECT, WHICH HE ALSO SAID IS CONFIDENTIAL

CONFIDENTIAL

PAGE 03 MOSCOW 11977 181155Z

GOING WELL, LED HIM, BY WAY OF REFERENCE TO THE NEED FOR US GOVERNMENT SUPPORT, TO COMMENT ON THE NEED FOR REMOVAL OF THE STEVENSON AMENDMENT TO THE EXPORT-IMPORT BANK AUTHORIZATION ACT. THE AMBASSADOR REMINDED HAMMER THAT THE JACKSON/VANIK AMENDMENT TO PL 93-618 CURRENTLY PRECLUDES ANY USG CREDITS OR CREDIT GUARANTEES. HAMMER, CLAIMING TO BE IN A POSITION TO KNOW, EXPRESSED THE VIEW THAT SENATOR JACKSON WOULD CHANGE HIS POSITION IF THERE WERE IMPROVEMENT IN THE RATE OF JEWISH EMIGRATION FROM THE USSR TO TWO OR THREE THOUSAND PER MONTH.

4. CONCERNING GOSBANK CHAIRMAN ALKHIMOV, HAMMER SAID THAT HE NOW ENJOYS THE RANK OF MINISTER AND IS EVEN MORE INFLUENTIAL THAN HE WOULD HAVE BEEN AS MINISTER OF FOREIGN TRADE BECAUSE HE CAN CONTROL THE FINANCES OF MANY MINISTRIES. THE AMBASSADOR INQUIRED HOW ALKHIMOV STOOD WITH BREZHNEV, AND HAMMER STATED THAT IT WAS BREZHNEV WHO NAMED THE FORMER TO HIS PRESENT POST. HE FURTHER DESCRIBED ALKHIMOV AS A MODEST INDIVIDUAL WITHOUT EXAGGERATED SELF-ESTEEM WHO THOROUGHLY KNOWS HIS JOB.

5. DURING THE DISCUSSION HAMMER EXPRESSED THE CONVICTION

THAT HE COULD BE OF HELP IN IMPROVING US-SOVIT RELATIONS, WHICH HE SAID ARE BEING DAMAGED BY MUTUAL FEARS AND MIS-UNDERSTANDING. HE COMMENTED FAVORABLY ON PRESIDENT CARTER, WHOM HE FELT WOULD DEVELOP INTO A GREAT PRESIDENT. THE AMBASSADOR INQUIRED IF HAMMER HAD PASSED THIS ASSESSMENT TO THE SOVIETS; HAMMER RESPONDED THAT IN THE SOVIET POWER STRUCTURE, THERE WAS ONLY ONE MAN WHO COUNTED - BREZHNEV - WHOM HE EXPECTED TO SEE ON HIS NEXT VISIT TO THE USSR. HE THOUGH THAT BREZHNEV, UNDERNEATH IT ALL, WAS A WARM-HEARTED AND SENSITIVE INDIVIDUAL. THE AMBASSADOR SAID THAT THE SOVIETS MUST MAKE A BETTER EFFORT, THEMSELVES, TO HELP RESOLVE DIFFERENCES. THEIR PRESS CAMPAIGN AGAINST THE SECRETARY'S MIDDLE EAST RIP AND THE NEUTRON BOMB HAD BEEN DECIDEDLY UNHELPFUL. REFERRING TO HAMMER'S  
CONFIDENTIAL

CONFIDENTIAL

PAGE 04 MOSCOW 11977 181155Z

COMMENT ABOUT SOVIET UNHAPPINESS AT NOT BEING TREATED AS EQUAL PARTNERS IN THE MIDDLE EAST, THE AMBASSADOR NOTED THE THE SOVIETS COULD HELP, IF THEY WERE SO MINDED, BY PUTTING PRESSURE ON THE PLO TO ACCEPT UN SECURITY COUNCIL RESOLUTION 242, WHICH WAS A FUNDAMENTAL FIRST STEP TOWARDS CONVENING A GENEVA CONFERENCE ON THE MIDDLE EAST. DURING THIS GENERAL DISCUSSION OF US-SOVIET RELATIONS, HAMMER SAID THAT HE WAS GIVING THOUGHT TO RECOMMENDING TO BREZHNEV AN "AMNESTY" FOR POLITICAL PRISONERS BUT SPECULATED THAT HE MIGHT BE THROWN OUT OF THE ROOM FOR DOING SO.

6. COMMENT: DR HAMMER, A BUSINESSMAN FOR WHO THE SOVIET LEADERSHIP APPEARS TO HAVE A SPECIAL AFFECTION AND CONFIDENCE, APPEARS GENUINELY ANXIOUS TO MAKE HIS OWN CONTRIBUTION TO IMPROVEMENT IN BILATERAL RELATIONS. WHILE HE MAY BE NAIVE AS TO SOVIET OBJECTIVES AND OVERLY OPTIMISTIC ABOUT PROSPECTS THAT THEY WOULD BE WILLING TO MAKE CONCESSIONS TOWARDS BRINGING ABOUT BETTER RELATIONS WITH THE US, HE CLEARLY ENJOYS ACCESS TO BREZHNEV AND SOME OTHER TOP SOVIET LEADERS. AS SUCH WE SEE UTILITY IN KEEPING HIM INFORMED IN GENERAL TERMS ABOUT OUR THINKING AND ENCOURAG

-  
ING HIM, IN HIS CONTACTS WITH SOVIET LEADERS, TO EMPHASIZE THAT IMPROVEMENT IN OUR RELATIONSHIP REQUIRES A SUBSTANTIAL AMOUNT OF INPUT FROM THE SOVIET SIDE AND THAT CONTINUED MANIFESTATION OF REJECTION AND HOSTILITY TOWARDS THE USG CANNOT BE EXPECTED TO PRODUCE POSITIVE RESULTS.  
TOON

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM, COINS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 18-Aug-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977MOSCOW11977  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770298-0445  
**Format:** TEL  
**From:** MOSCOW  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1977/newtext/t19770849/aaaabpae.tel  
**Line Count:** 165  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 7b0a8b58-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EUR  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 4  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 MOSCOW 10023, 77 MOSCOW 6811  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 14-Mar-2005 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 1562666  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** ARMAND HAMMER ON US-SOVIET RELATIONS: OCCIDENTAL PETROLEUM TO HANDLE DISTRIBUTION OF OLYMPIC COINS  
**TAGS:** EFIN, EEWT, ENRG, UR, US, OCCIDENTAL PETROLEUM  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/7b0a8b58-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009